



Trial Court Interpreters Program Expenditure Report for Fiscal Year 2005–2006

REPORT TO THE LEGISLATURE
February 2007



JUDICIAL COUNCIL
OF CALIFORNIA

ADMINISTRATIVE OFFICE
OF THE COURTS

I. Mandate

Item 0250-101-0932, provision 4 of the Budget Act of 2005 (Stats. 2005, ch. 38) provides that “[t]he Judicial Council shall report to the Legislature and Director of the Department of Finance annually regarding expenditures from this schedule.” In fulfillment of that provision, this report details expenditures from the Trial Court Trust Fund (TCTF), schedule program 45.45,¹ Court Interpreters.

II. Funding

The act appropriated \$72.233 million from the TCTF for court interpreters for fiscal year 2005–2006. This included an increase of \$4.498 million or 6.44 percent over the prior year’s baseline of \$67.735 million. The increase was calculated by the Department of Finance using the State Appropriations Limit (SAL) formula. The Judicial Council then allocated additional baseline and one-time funds to the program. First, it made a technical correction that slightly reduced the SAL increase to \$4.362 million. However, in anticipation of even greater costs of full benefits for the first year of collective bargaining, it increased baseline funding by \$10.633 million from other discretionary SAL funding, bringing the baseline total to \$82.730 million. Then, to ensure sufficient funds for the first year, the AOC allocated an additional one-time funding of \$5.5 million, bringing the total fiscal year 2005–2006 allocation to \$88.230 million. The total amount was available to pay for expenditures on qualifying line items.²

Qualifying line items are limited to four basic types of expenditures:

Contract court interpreters and their per diem, including travel;

Staff interpreters (those employed by the trial courts), benefits, and their travel;

Court interpreter coordinators (limited by item 0250-101-0932, provision 4 of the act, to one personnel year (PY) each in counties of the 1st through 15th classes, 0.5 PY each in counties of the 16th through 31st classes, and 0.25 PY each in counties of the 32nd through the 58th classes); and

Four court interpreter supervisor positions: two in Los Angeles County, one in Orange County, and one in San Diego County that were funded by a fiscal year 2003–2004 budget change proposal in support of Senate Bill 371. These are the only positions funded under program 45.45 that include funding for standard operating expenses and equipment (OE&E).

The Judicial Council does not currently reimburse trial courts for the cost of supervisors, administrative overhead, or any OE&E, except for the contractual services, travel, and standard complement items noted above in items a, b, and d, respectively. Trial courts must absorb all other OE&E expenditures and, except as noted, all supervisory expenditures associated with converting contract interpreters to employees of the court.

¹ Formerly program 45, under organization code 0450. Fiscal year 2005–2006 is the first year of the organization and program numbering change.

² Qualifying line items are limited to those within personal services, contractual interpreter services, and travel. All other line items, such as training, electronic data processing services, equipment, etc. may be reported by the court but are not considered for reimbursement from this program.

III. Methodology

Court interpreter funding is pooled in a statewide account and allocated to the trial courts on a reimbursement basis. Trial courts report their expenditures in their Quarterly Financial Statements (QFS) and are then reimbursed for their allowable expenditures, to the extent that funding is available. Attachment 1 provides a summary, by trial court, of the major reimbursable categories, as stated in items a through d, above.

In addition to their QFS submissions, each trial court reports its nonallowable personal services costs along with grants and reimbursements that offset some of its otherwise qualifying expenditures. The difference between those amounts and the court's total gross expenditures on the qualifying line items equals the total net allowable reimbursement allocated to each court under program 45.45 funding.

Allocation payments are made monthly to the trial courts based on estimated year-end projections from the most recent four quarters of the QFS. At the end of the year, adjustments are made to increase or decrease final allocations to align total payments with actual net allowable expenditures. For fiscal year 2005–2006, all courts received full reimbursement of their net allowable costs.

IV. Expenditures

The Judicial Council established statewide standards for contract interpreter pay and authorized increases in the amount paid for full-day and half-day interpreting, effective January 1, 1999. Two additional increases were authorized and made effective on July 1, 1999, and July 1, 2000. Certified and registered interpreters are currently paid 32.5 percent more for a full day of interpreting than they were when the Judicial Council first established statewide standards for interpreter pay in January 1999. Certified and registered interpreters are paid \$265 for a full day and \$147 for a half day. Noncertified and nonregistered interpreters are paid \$175 for a full day and \$92 for a half day³.

A significant change to the provision of interpreter services was the enactment of SB 371 in 2002 (Stats. 2002, ch. 1047), which required trial courts to establish staff interpreter positions and offer employment to qualified contract interpreters, under prescribed conditions. As a result, trial courts began hiring contract interpreters as staff interpreters.

³ In comparison, current federal rates are \$355 full day/\$192 half day for certified interpreters, and \$171 full day/\$92 half day for noncertified.

Total gross expenditures reported for all allowable costs are \$78.625 million. Adjustments to this amount included an increase of \$50,000 to provide for supervisor OE&E for the four courts identified in item d above, and a reduction of \$873,296 in interpreter coordinator costs that were above the limit, as explained in item c. The total was further reduced by \$1.924 million in court reimbursements and grants from other funding sources. Combined, these adjustments constituted a reduction of \$2.747 million, resulting in a net statewide allowable expenditure of \$75.878 million⁴ for program 45.45:

\$78,625,000 Gross court expenditures
 + 50,000 Court supervisory OE&E
 - 873,296 Court coordinator costs above limit
 - 1,924,000 Court reimbursements and grants
 \$ 75,877,704 Net statewide allowable expenditures

Table 1 illustrates the significant shift in expenditures from contract per diems to staff salaries and benefits since enactment of SB 371. The table highlights the gross costs just for salaries, benefits, and contractor per diems.

Table 1. Shift From Contract to Staff Interpreters

	FY 02–03	FY 03–04	FY 04–05	FY 05–06
Gross Staff Salaries	4,118,601	34,729,477	38,956,263	44,380,894
Gross Benefits	114,129	3,087,417	3,831,914	13,823,265
Contract Per Diems	57,873,346	25,095,414	20,568,476	18,551,651
Total	62,106,076	62,912,308	63,356,653	76,755,810

Gross Sal. & Ben.	6.82%	60.11%	67.54%	75.83%
Contract	93.18%	39.89%	32.46%	24.17%
Total	100.00%	100.00%	100.00%	100.00%

For fiscal years 2003–2004 and 2004–2005, benefits for the newly created positions were limited to workers’ compensation, unemployment insurance, and OASDI. However, for fiscal year 2005–2006 and beyond, full benefits were secured through the collective bargaining process. As a result, benefit costs increased sharply for fiscal year 2005–2006, as can be seen in table 2 below, which expresses in percent the year-to-year change in line item expenditures.

Table 2. Percent Change in Expenditures

	FY 02–03 to FY 03–04	FY 03–04 to FY 04–05	FY 04–05 to FY 05–06
Gross Staff Salaries	743.23%	12.17%	13.92%
Gross Benefits	2605.20%	24.11%	260.74%
Contract Per Diems	-56.64%	-22.01%	-9.81%

In addition to full benefits, in fiscal year 2005–2006, labor unions bargained for salary increases through the normal negotiation process. Agreements varied by court and most were implemented sometime during the course of the year. The annualized cost of these increases, as well as any subsequently negotiated increases, will be seen in fiscal year 2006–2007.

⁴ This amount equals the net statewide program total reported on attachment 1, under, “Net Adjusted Allowable Expenditures Not Reimbursed by Other Funds.”

V. Conclusion

While the \$72.233 million appropriated in the act was insufficient to cover the \$75.878 million in net allowable program expenditures, the difference was more than offset by the Judicial Council's additional \$16.133 million allocation for court interpreters. However, sufficient funding for future years is not guaranteed. Costs are expected to continue to rise as both salaries and benefits for staff interpreters are now eligible for labor negotiation and as contract interpreters seek an increase in the daily rate. The demand for interpreter services is also expected to increase as the state's limited-English-speaking population continues to grow.

In addition to these anticipated increases in interpreter costs and in demand for services, future program costs will significantly increase if the scope of legally mandated interpreter services is expanded to include civil matters. As noted, under current law court-provided interpreters are assigned in criminal, misdemeanor, and juvenile dependency cases. However, the Judicial Council is working with the Governor, the Legislature, and stakeholders to expand the legal right of court-provided interpreters for all civil proceedings, to ensure that every person has meaningful access to justice, regardless of their fluency in English. The AOC is working to estimate the cost of this expansion and will present its findings to policymakers later in the year.